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IMPACT OF THE COVID-19 PANDEMIC ON THE MERCHANDISING INDUSTRY

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The pandemic has become a serious challenge for many areas of life, including merchandising. The impact that it has had on the traditional ways of providing goods to customers is difficult to overestimate. In this article, we will analyze the difficulties of this period and the steps to overcome them

Merchandising is a polysemantic word. Its meaning can vary depending on the dictionary we use. American Marketing Association has defined merchandising as "Planning involved in marketing right merchandise, at right place at right time in the right quantities at the right price". This is the basis of merchandising: to help a buyer find a suitable product. According to the method of working with goods, several types of merchandising are distinguished. Each kind has a number of specific features based on how the buyer perceives reality. The main ones are [1]:

- cross merchandising is a direct layout of products in the trading room. An experienced specialist through competent placement of the assortment can help the buyer: facilitate a search and selection of goods;
- visual merchandising is an atmosphere of a store (i. e. a combination of external factors present in the trading room, which have a certain effect on sensory receptors and form the psychological state of a visitor);
- technical merchandising is a set of services for the creation, delivery and installation of advertising materials and sales equipment in various outlets. Promotional materials include all kinds of means of attracting customers, such as lighting panels, promotional posts, banners and much more. Trading equipment for placing goods – racks, shelves, tables and cash-register area equipment. In other words, technical merchandising consists in the installation of equipment, which makes life much easier for shop owners.

The consumers' buying decision is affected by many factors. At the entrance to a store, visitors are in a state of adaptation to it. At first, they are not active and do not make purchases. Their attention is distracted at this moment. It has a low level of concentration and stability. That is why the specialists of the trading hall should strive to reduce the number of irritants that prevent rapid adaptation to new conditions.

While walking around the store, the buyer gradually adapts to it: now he is ready to carry out the planned purchases. This section of the hall is conventionally called the purchase zone. After selecting the necessary products, the buyer hurries to the cash register. At this stage of the buyer's route, such factors of attention as shape, size, color, smell, position, etc. can be manipulated. This stage of the route and part of the trading floor is called the return zone.

In addition to these zones, the retail space itself is also divided into places that customers visit less often, they are called «cold» zones, and places that are visited more often than others, they are called «hot» zones. The task of a merchandising specialist is to ensure that all «cold» zones become «hot» [3].

«Cold» zones are formed because people by nature do not want to change the direction of movement. For example, practice shows that buyers prefer to go in a counterclockwise direction and along the edges. Such behavior of people creates unfavorable conditions for the goods placed in the central part of the trading hall. Therefore, merchandising specialists attract customers with the help of various factors that contribute to changing traffic routes and redistributing the attention of visitors. Another way to overcome the influence of the zone is to place more attractive products in the "cold" zones, and less attractive products in the «hot» zones [2].

Such factors significantly influenced consumer behavior just a few years ago. However, now many of them are not so relevant.

The pandemic caused by the COVID-19 virus has become a serious challenge to the whole world, the consequences of which are still difficult to fully understand and analyze. Experts' opinions are divided. Some researchers say that the consequences of the pandemic will lead to huge changes in the global economy, while others say that the impact will be noticeable, but short-term. The author of this article tends to refer to the first group of people: even now, to some extent, the pandemic has affected all areas of the world economy and trade, and this impact is difficult to describe as only temporary changes. According to research results, many trends emerging as a result of the pandemic will not lose their popularity in the future.

In the face of restrictions on the import and export of goods, closure of borders, suspension of the work of companies, collapse of demand in the tourism sector and in some segments of the retail trade and growth of exchange rates – for any business, as well as for the whole world, the critical task was quick adaption to changes.

Analyzing the experience of those countries that have already been seriously affected by the pandemic – the United States, China, Spain, Italy, Germany and France – analysts at Nielsen, the largest independent company

Economics

specializing in market research in the consumer goods industry, identified six stages of changing consumer behavior in the coronavirus outbreak. It turned out that in all countries, people behave approximately the same [4].

At the beginning of the pandemic, people's attention is focused on the topic of health, products for maintaining immunity, and the topic of a healthy lifestyle in general. When the first victims appear, the main focus is on basic necessities (cereals, canned food, meat products, household chemicals and, of course, personal hygiene products). People make purchases for the future, so that, in case of strict quarantine rules, they do not have to leave their homes and go to the shops for food.

Then follow the two most difficult stages. When a country comes close to a serious quarantine, online sales increase: there may be difficulties in the supply chains due to the introduction of various restrictions by the authorities. Some countries have imposed restrictions on the number of products that a buyer can purchase. This is done both to reduce panic purchases and to reduce the number of "resales of goods" at higher prices on the part of speculators [5].

At the fifth stage, when there is a mass infection and quarantine in a country, people go to stores less often, online sales are growing at an explosive pace, and due to a shortage and excessive demand the price for certain categories of goods increase. Based on this, some stores can face the problem of having certain products and goods on the shelves.

The sixth stage is a return to normal life, but with increased concern for health and hygiene, as well as increased interest in online shopping. Many countries are not yet ready for this stage.

Before returning to the life that people have led recently, there is a need to resolve issues related to the provision of goods to the buyer in the context of a pandemic. Physical stores face the challenge of keeping customers safe when making purchases. In order to protect both employees and their visitors, special measures are introduced. They are not mandatory, but following them increases customer loyalty and demand during quarantine. Therefore, it is recommended to:

- 1) install hygiene racks (including hand sanitizer, disposable gloves, paper towels, and other protective measures);
- 2) limit the number of customers who are in the store at the same time;
- 3) stick signs on the floor to indicate the safe distance of buyers;
- 4) introduce dividers for cash zones;
- 5) instead of usual doors use of door handles for the forearm, which prevents contamination;
- 6) provide additional disinfection of all public access areas;
- 7) monitor the health of the staff.

Another option may be in changing the opening hours of the store to increase, (especially true for Europe, where the working hours are very limited) and thereby distribute the store's traffic. As an example of the use of such a strategy, we can cite Romania, where it was allowed to go out at night due to the need to buy food. It is also necessary to encourage consumers to use self-service cash registers more actively, if they are available.

Despite all the measures that are being taken to ensure that the store continues to operate and attract customers even in crisis conditions, it has been estimated that malls could shrink anywhere from 25%-45% of their square footage over the next 5-10 years, due to COVID-related business pressures and the growing adoption of online shopping [6]. This fact will certainly affect the activities of merchandisers. The main trends of visual merchandising in 2021 related to the pandemic can already be identified [7]:

- modularity of design and design solutions. Easily changeable spaces that can be transformed under changes in the assortment, promo, seasonality, etc. Flexible and moving equipment, which allows you quickly rearrange depending on the tasks and needs. The store of today must be flexible and attuned to an unknown future;
- creating a safe space that includes wide aisles, the possibility of contactless purchases, the placement of disinfectants and protective equipment in the sales halls, and informing the consumer about additional security measures taken by the store to protect its customers;
- organization of remote work of merchandisers, digitalization of merchandising;
- increased demand for automated, robotic shelf control solutions. With the help of such solutions, retail quickly manages the layout and changes the planograms;
- online has become a part of the trading floor – special spaces for storing online orders are being equipped, order pick-up points and terminals are being installed. You can increase customer confidence by making the warehouse transparent. On the one hand, it is an element of the show, on the other hand, it is a demonstration of the openness and sustainable development of the organization;
- during the crisis, retailers began to treat more seriously the issues of improving the efficiency of the checkout area, thus increasing the number of items in the receipt.

Basing on these trends, merchandising will have to be modified to fit the new reality. Below are the main steps of adaptation to the current conditions [8].

1. Analysis of the effectiveness of planograms and zoning schemes of retail premises.
2. Changing planograms and zoning schemes based on current indicators.
3. Organization of high-quality remote work for the merchandising team.

Thus, we can conclude that the most important factor in the work of a merchandiser is the constant monitoring and evaluation of the situation. The situation that many stores found themselves in during the pandemic showed that neither the merchandisers nor other employees were prepared for unforeseen situations, which undoubtedly resulted in the loss of the companies' funds and caused a number of problems for customers. In order to avoid such problems in the future, it is necessary to take into account the experience gained while working in the current conditions.

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